

# **EXHIBIT H**

1 UNITED STATES DISTRICT COURT FOR THE  
2 SOUTHERN DISTRICT OF NEW YORK  
3

4 CITGO PETROLEUM CORPORATION )  
 )No. 1:21-cv-389-GHW  
5 Plaintiff, )  
 )  
6 - against- )  
 )  
7 ASCOT UNDERWRITING LIMITED )  
 (FOR AND ON BEHALF OF LLOYD'S )  
8 SYNDICATE 1414), et al., )  
 )  
9 Defendant(s) )

10  
11 CONFIDENTIAL pursuant to stipulated confidentiality  
12 agreement and protective order  
13

14 Videotaped Deposition of:

15 WALLACE PARSONS,

16 taken on behalf of the Plaintiffs

17 September 20, 2021, at 9:00 a.m. Eastern Standard Time  
18

19 REPORTED BY:

20 Angela Gunn, CSR

21 Worldwide Litigation Services

22 -----  
23 Chicago (312) 528-9111 + Minneapolis (612)

24 594-7660 + Las Vegas (702) 799-921

25 Job 48554



1 Video Deposition of WALLACE PARSONS, called by the  
2 Plaintiff herein, held before a stenographic court  
3 reporter conducted by video conference, on Monday,  
4 the 20th day of September, 2021, at 9:00 a.m. EST.

5

6 A P P E A R A N C E S: (Via Videoconferencing)

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15 Scott Breckheimer, Videographer and exhibit  
16 technician

17

18

19

20

21

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25



1 charge of running the company's security, whether  
2 it's maintaining the ship's security plan, et  
3 cetera.

4 Q. So what sort of notices might you  
5 get from the safety officer?

6 A. If -- well, anything related to  
7 safety. If doing work, normally risk assessments,  
8 tests, they assist in helping us do our  
9 preplanning, I guess, make sure all the hazards  
10 are identified so that work can be completed  
11 safely. They are involved in updating our  
12 manuals, sending out notices, that type of stuff.

13 Q. And how would you factor those  
14 sorts of warnings in your plans?

15 A. It would be discussed in our  
16 daily meetings, and see how it would affect our  
17 operation, and we would do a risk assessment and  
18 discuss any mitigating factors that we would put  
19 in place to try to mitigate the risk, if any.

20 Q. Do you recall ever receiving any  
21 information regarding political developments from  
22 Canship safety officer?

23 A. Yes, I did receive some notices I  
24 think when there was an attempted coup, I think  
25 it's called.



1 Q. Do you recall when or can you  
2 tell me a little bit more about that. What  
3 attempted coup are you recalling?

4 A. It's when the interim president,  
5 I guess he's called, attempted a coup against the  
6 current president of Venezuela.

7 Q. So you are specifically referring  
8 to Venezuela?

9 A. Yes, Venezuela, yes, sorry.

10 Q. And do you recall approximately  
11 when you received that notice?

12 A. No, I don't recall.

13 Q. Not limiting yourself to your  
14 time on the Gerd in November of 2018 through  
15 February of 2020, just more generally as the  
16 ship's master, had you previously received any  
17 political related notices from the safety officer?

18 A. No, I did not.

19 Q. That's the only one that steps  
20 out of your mind, is that --

21 A. Yes.

22 Q. -- you recall as an attempted  
23 coup in Venezuela?

24 A. Yes, it is.

25 Q. And what considerations does the



1 list, and as per list, except just some small  
2 basic forms. Venezuela, for example, they  
3 required a drug inspection on board and a hull  
4 survey as well prior to issuing any outward  
5 clearance.

6 Q. All right. Just to be clear, can  
7 you explain what you mean by a drug inspection?

8 A. The National Guard, all local  
9 port authorities will come aboard and along with  
10 divers they would inspect the ship, sometimes with  
11 dogs, for any drugs, and the divers would actually  
12 do a video recording of the inspection of the  
13 hull, and they would be looking for drugs as well.

14 Q. And you also mentioned a hull  
15 survey. Can you explain what that is?

16 A. That is the diver's hull  
17 inspection for drugs or drug inspection.

18 Q. Okay. The hull survey, got it,

19 A. Yeah, yeah. And they would issue  
20 a video of the record -- a recording of the  
21 inspection.

22 Q. And would they provide you as the  
23 master with a copy of that video?

24 A. Yes, they did.

25 Q. Did you transmit that back to



1 tanks located?

2 A. On the stern or the half part of  
3 the vessel.

4 Q. And is there one port, one  
5 starboard?

6 A. Those would be designated I think  
7 as a distilled and potable.

8 Q. And then where is the ballast  
9 tanks located?

10 A. The outboard side of the cargo  
11 tanks.

12 Q. Thank you very much.  
13 Captain Parsons, can you tell me what date you  
14 served as the master aboard the Gerd Knutsen  
15 between December 2018 and February 2020?

16 A. Exact dates I can't say, but I  
17 joined early April 2019, until the vessel was sold  
18 in the end of June, I think, I do believe, or the  
19 first part of July 2020.

20 Q. So your first tour was between  
21 early April of 2019, and either the end of June or  
22 early July 2019; is that correct?

23 A. I can't remember if I did a  
24 6-week trip or not, but, yeah, exact dates I don't  
25 recall.





1 Q. That's fine. Just to the best of  
2 your recollection, but that's roughly the window?

3 A. Yeah, early April until sometime  
4 in end of May.

5 Q. You said end of May there a  
6 moment ago. You said end of June or early July  
7 previously. Do you recall which it is?

8 A. End of July was 2020.

9 Q. End of July --

10 A. My entire stint on the Gerd was  
11 from April 2019 until either end of June, early  
12 July of 2020.

13 Q. Okay, I understand, thank you.

14 A. On a 6-week rotation, give or  
15 take.

16 Q. Okay. So your first rotation was  
17 April 2019 to sometime in May of 2019; is that  
18 correct?

19 A. Correct.

20 Q. Do you recall roughly when your  
21 second -- next rotation was?

22 A. I think I joined in August, late  
23 August.

24 Q. And do you recall when that  
25 rotation ended approximately?



1                   **A.       No, not to my knowledge.**

2                   Q.       So at the end of your second  
3 rotation, it remained the case that the cargo was  
4 fully loaded and you would not receive clearances  
5 to depart, correct?

6                   **A.       Correct.**

7                   Q.       Your second rotation ended  
8 approximately the end of September 2019, correct?

9                   **A.       Approximately, yes, correct.**

10                  Q.       Do you recall what master  
11 replaced you as master of the Gerd at that time?

12                  **A.       Captain Ezra Winters.**

13                  Q.       I assume the Gerd did not move  
14 during the entirety of your second rotation; is  
15 that correct?

16                  **A.       That's correct.**

17                  Q.       You were still anchored at  
18 11 miles out?

19                  **A.       That's correct.**

20                  Q.       Do you recall whether you  
21 explained the status quo regarding the cargo and  
22 the clearances to Captain Winters when you handed  
23 off the Gerd to him?

24                  **A.       Yes, and he was the chief officer**  
25 **on board prior to me joining, so he was more**



1                   **A.       Yes, correct.**

2                   Q.       And there was difficulty securing  
3 bunker, and having it delivered to the Gerd in  
4 Venezuelan water, correct?

5                   **A.       Yes, correct.**

6                   Q.       But your understanding is that  
7 CITGO was able to purchase Gerd and ultimately  
8 arrange to have it delivered -- sorry, purchased  
9 bunker and ultimately arranged to have it  
10 delivered to the Gerd, correct?

11                  **A.       Yes, previously purchased bunker,**  
12 **whatever happened, yes, that ended up coming and**  
13 **being delivered to the Gerd.**

14                  Q.       But that delivery was after you  
15 left -- finished this rotation on the Gerd,  
16 correct?

17                  **A.       Correct.**

18                  Q.       Thank you. If you can take that  
19 exhibit down, please.

20                  Captain Parsons, during your third  
21 rotation on the Gerd you were master of the Gerd  
22 at the end of November and early December of 2019,  
23 correct?

24                  **A.       Yes.**

25                  Q.       Would the exhibit tech please



1 mark document three as **Exhibit 3**, and place it up  
2 on the screen. For the record, this **Exhibit 3** is  
3 an email thread and attachment that were produced  
4 by CITGO in the litigation. They are Bates  
5 labelled as CITGO 11046 and 11049 respectively.  
6 The emails and the email threads span  
7 November 13th through 15th, 2019. The attachment  
8 page Bates No. 11049 is dated November 12, 2019.

9 --- **Exhibit 3**: Bates CITGO 11046 and  
10 11049 respectively; email  
11 threads span November 13th  
12 through 15th, 2019, with  
13 attachment dated  
14 November 12, 2019 ---

15 BY MR. MIKONI:

16 Q. Captain Parsons, please take a  
17 moment to review these two pages and let us know  
18 when you need the exhibit tech to scroll them for  
19 you.

20 A. He can scroll. You can keep  
21 scrolling.

22 Q. I think that's the end of the  
23 document. Can you please centre the screen on the  
24 bottom email on the first page. Thank you.

25 Captain Parsons, do you recognize these

1 documents?

2 **A. Yes, I do.**

3 Q. Okay. The bottom email on this  
4 page is a November 13th email from Oswaldo Vargas  
5 at a pdvsa.com email address; do you see that?

6 **A. Yes, I do.**

7 Q. That email was sent to  
8 mas.gerd.knutsen@knutsenoas.com email address,  
9 gerd.knutsen@knutsenoas, @pdvsa.com email address,  
10 and cc to a mas.gerd.knutsen@canship.com email  
11 address. Do you see that?

12 **A. Yes, I do.**

13 Q. Are any of those three email  
14 addresses your email aboard the Gerd?

15 **A. Yes, the one in the copied,**  
16 **mas.gerd.knutsen@canship.com.**

17 Q. So you received that  
18 November 13th, 2019 email at the Gerd Master email  
19 address; is that correct?

20 **A. Yes, I did.**

21 Q. And that email that you received  
22 included the attachment that we saw on the second  
23 page, Bates No. 11049, correct?

24 **A. Whether that was attached or not,**  
25 **I can't say, but most likely, yes.**



1 Q. Then if we scroll up just a  
2 little bit to the email above this, this  
3 November 14th email, 2019, bears your signature,  
4 correct?

5 A. Yes, that's correct.

6 Q. You sent that email to Melody  
7 Wheeler; is that correct?

8 A. Yes, that's correct.

9 Q. Could you please scroll back down  
10 to the bottom of this page, Scott. Thank you.

11 Captain Parsons, what did you understand  
12 this email from Oswaldo Vargas to be?

13 A. What do you mean, like my  
14 understanding from the request?

15 Q. Yes. What did you understand  
16 this request to be?

17 A. Well, my understanding would be  
18 PDVSA hoping that I would proceed to Jose and  
19 discharge the cargo.

20 Q. And that's what is requested in  
21 that furthermore sentence, "Furthermore, you are  
22 requested to proceed to Terminal Jose to discharge  
23 cargo ASAP?"

24 A. Yeah.

25 Q. Okay. What is PDVSA in your



1 understanding?

2 **A. A government owned and operated**  
3 **oil I guess company.**

4 Q. When you say government owned, do  
5 you mean the Venezuelan government?

6 **A. Yes, I do.**

7 Q. When PDVSA in this email  
8 requested you to proceed to Terminal Jose to  
9 discharge the cargo, did you understand them to be  
10 requesting that you would discharge the cargo to  
11 PDVSA?

12 **A. Yes.**

13 Q. At the time you received this  
14 email, what was your understanding of PDVSA's  
15 relationship to the cargo aboard the Gerd Knutsen?

16 **A. My understanding was they didn't**  
17 **have any relationship with it. They didn't own**  
18 **it. They were the -- they I guess sold the cargo**  
19 **to CITGO.**

20 Q. Scott, could you please scroll  
21 down to the next page. So, Captain Parsons, I'll  
22 direct you to the second line of this  
23 paragraph where it describes PDVSA as the cargo  
24 owners and shippers for the Gerd Knutsen cargo.  
25 Do you see that?



1                   **A.       Correct.**

2                   Q.       At the time you received this  
3                   letter from PDVSA did you have an understanding of  
4                   whether the Maduro regime or the Guaidó government  
5                   was controlling PDVSA?

6                   **A.       As far as I understood Maduro was**  
7                   **controlling PDVSA.**

8                   Q.       So you understood this to be a  
9                   request from the Maduro version of PDVSA, correct?

10                  **A.       That was my thought, yes.**

11                  Q.       In the email thread that we have  
12                  reviewed shows that you forwarded this attachment  
13                  to Melody Wheeler at CITGO. Did you take any  
14                  other actions in response to receiving this email?

15                  **A.       I can't say for sure, but**  
16                  **99 percent chance it would have been forwarded off**  
17                  **to the ship owners as well.**

18                  Q.       Now you did not follow this order  
19                  to discharge the cargo, correct?

20                  **A.       No, I did not.**

21                  Q.       Why not?

22                  **A.       Because PDVSA is not the**  
23                  **charterer.**

24                  Q.       So you didn't understand PDVSA to  
25                  have any authority to make these instructions; is





1                   **A.       Two weeks later.**

2                   Q.       Perfect. Do you recall if  
3 anything relating to PDVSA's request to discharge  
4 the cargo happened between receiving the  
5 November 12th letter and these November 29th  
6 emails?

7                   **A.       Nothing happened on our end.**  
8 **Anything else ashore, I can't speak to, but...**

9                   Q.       So after you received the  
10 November 12th letter and passed that along to  
11 CITGO, you don't recall anything else happening on  
12 your end prior to November 29th, correct?

13                  **A.       Correct.**

14                  Q.       Scott, can you please scroll down  
15 to the bottom email in this thread, next page.  
16 There, perfect. A little bit up, please.

17                  That is good, thank you, Scott.

18                  Captain Parsons, in this email dated  
19 November 29th, Karl Schmidt writes:

20                         "Thank you for passing on the  
21 letter you received from PDVSA  
22 today. Can you please provide some  
23 more information with regards to  
24 this. Who all came to visit the  
25 Gerd Knutsen today?"



1 Do you recall the visit that Mr. Schmidt  
2 is referencing in this email?

3 **A. Vaguely, yes.**

4 Q. Vaguely. Do you recall receiving  
5 a letter from PDVSA on or around November 29,  
6 2019?

7 **A. Yes, I did receive a letter.**

8 Q. Scott, can you please mark  
9 document six as **Exhibit 6**, and place that up on  
10 the screen for a moment. I apologize for the  
11 awkwardness, Captain Parsons. This would have  
12 been the part that would be easier if the binder  
13 made it to you on time.

14 **A. I'm okay. I'm doing fine.**

15 Q. Thanks for your patience.

16 **A. No worries.**

17 Q. For the record, **Exhibit 6** is a  
18 letter on PDVSA letterhead, it was produced by  
19 CITGO in this litigation, Bates No. on that letter  
20 is CITGO 33423. It is followed by a certified  
21 translation of the letter, which is Bates  
22 No CITGO 33424, and an accompanying certificate of  
23 accuracy, which is Bates No. 33425.

24 --- **Exhibit 6**: letter on PDVSA letterhead  
25 with translation; Bates No.



1 CITGO 33423 to 33425 ---

2 BY MR. MIKONI:

3 Q. Captain Parsons, can you please  
4 take a moment to review these three pages?

5 A. You can scroll down. Keep on  
6 going. I guess the last one is just translator.  
7 There, all right. Okay, we are good.

8 Q. Let's go back to the first  
9 page of this exhibit, please, and, Scott, could  
10 you zoom out a little bit, please. Great, thank  
11 you.

12 Captain Parsons, starting with this  
13 first page of the exhibit, do you recognize this  
14 letter?

15 A. I do, yes.

16 Q. Is that your signature on the  
17 bottom right corner?

18 A. It is, yes.

19 Q. And is this the letter that in  
20 the Exhibit 4 that we were just reviewing, the  
21 email from Karl Schmidt thanking you for sending  
22 along the letter, is this the letter referred to  
23 in that exhibit?

24 A. I can't confirm, but given the  
25 dates I would say yes.



1 sentence of that email out loud.

2 A.

3 "Good day, Mr. Schmidt. The local  
4 Navieramar agent came aboard with a  
5 PDVSA lawyer and from what I can  
6 gather a PDVSA representative."

7 Q. What is Navieramar?

8 A. That is the local agency in  
9 Venezuela.

10 Q. By local agency, what do you  
11 mean?

12 A. The ship's agent.

13 Q. What role did they play?

14 A. They were appointed by the  
15 charterer, CITGO, and ship's agent they look after  
16 all I guess ship's required with regard to  
17 documents, anything that needs to be looked after  
18 for the vessel during the port call.

19 Q. Okay.

20 A. They make the arrangements.

21 Q. Was Navieramar involved with the  
22 effort to receive clearances to depart Venezuela?

23 A. Yes, all requests for -- from the  
24 vessel requesting for them to organize outward  
25 clearance went to them, yes.



1                   A.       I wouldn't even be able to guess.

2                   Q.       No idea, that's fine. Okay, can  
3       you read the I believe it's the third sentence of  
4       this email out loud. It begins, "From what was  
5       translated to me..."

6                   A.  
7                         "From what was translated to me  
8                         they informed me that it was just a  
9                         notification letter stating that  
10                        based on a conversation or  
11                        correspondence between CITGO and  
12                        PDVSA on June 6th, where CITGO  
13                        indicated they did not want the  
14                        cargo anymore, including the DCO  
15                        based on contract number 34004276,  
16                        that PDVSA is now the owners of all  
17                        of the cargo on board and that  
18                        further instructions and documents  
19                        will be given later."

20                  Q.       Do you recall who provided you  
21       that translation?

22                  A.       The translation or info or  
23       understanding of it?

24                  Q.       In that sentence you writer,  
25       "From what was translated to me," this was your



1 into the record.

2 A.

3 "Good day, Melody. I currently  
4 have the PDVSA reps, agent and INEA  
5 rep on board who have informed me  
6 that tomorrow the Port Authorities  
7 will come tomorrow to issues  
8 outward clearance for me to sail to  
9 Puerto La Cruz to discharge  
10 immediately. According to them  
11 this is based on the court order  
12 given to the vessel back in  
13 December. Please advise how I am  
14 to proceed."

15 Q. Thank you. Do you recall this  
16 incident where PDVSA reps, agent and INEA rep  
17 boarded the Gerd on February the 7th?

18 A. Yes, I do.

19 Q. We had spoken a moment ago about  
20 a PDVSA representative boarding the Gerd at the  
21 end of November. Are you aware of any moments or  
22 any occasion between the end of November and this  
23 February 7th boarding where PDVSA boarded the  
24 Gerd?

25 A. They did board the vessel back



1 in -- or in December while I was home.

2 Q. How did you learn about that  
3 boarding?

4 A. It was handed over to me when I  
5 joined the vessel in January.

6 Q. Are you aware of any other  
7 boardings between November 2019 and February 7,  
8 2020?

9 A. Not off the top of my head, no, I  
10 don't recall.

11 Q. Do you recall how many PDVSA reps  
12 boarded the Gerd on February 7th?

13 A. No, I do not.

14 Q. Could you approximate?

15 A. Probably wouldn't be very  
16 accurate.

17 Q. That's fine. When you said there  
18 was an agent on board, what do you mean by agent?

19 A. The local agent, Navieramar  
20 agent.

21 Q. And you mentioned an INEA rep.  
22 Can you explain what INEA is?

23 A. It's one of their local marine  
24 police.

25 Q. Did you say marine police?



1                   **A.       Marine police, yeah. One of the**  
2                   **local marine authorities.**

3                   Q.       Was the INEA rep armed?

4                   **A.       I do not recall.**

5                   Q.       Do you recall approximately how  
6                   long these individuals remained on the Gerd on  
7                   February 7th?

8                   **A.       No, I do not know.**

9                   Q.       You wrote that they informed you  
10                  that the port authorities would issue outward  
11                  clearance for you to sail to Puerto La Cruz to  
12                  discharge the cargo, correct?

13                  **A.       Correct.**

14                  Q.       By the port authorities, what do  
15                  you mean?

16                  **A.       The local harbourmaster would be**  
17                  **the authority to issue the outward clearance.**

18                  Q.       By discharge immediately in this  
19                  email, did you mean discharge the cargo?

20                  **A.       That's what they requested me to**  
21                  **do, yes.**

22                  Q.       Was that a request to discharge  
23                  the cargo to PDVSA?

24                  **A.       Yes.**

25                  Q.       Approximately how far away from





1 the Gerd's present location was Puerto La Cruz at  
2 that time?

3 **A. A two-day steam, approximate.**

4 Q. Did you understand these  
5 instructions to be any different from the  
6 instructions that you received in November 2019 to  
7 discharge the cargo to PDVSA?

8 **A. This -- the instructions, no, no.**

9 Q. Was anything else about these  
10 circumstances different in February 7 from the  
11 circumstances in which you were instructed to  
12 discharge the cargo in November of 2019?

13 **A. At the time of this email, no.**  
14 **Shortly after, yes.**

15 Q. What happened shortly after?

16 **A. I was informed that the Navy**  
17 **would be -- that I would have to leave, and that I**  
18 **would be escorted under armed guard with the Navy,**  
19 **and that I had to leave, no issues.**

20 Q. Do you recall who informed you  
21 that you had to leave?

22 **A. It was conveyed through the**  
23 **agent.**

24 Q. Scott, could you please take this  
25 document down, and if you could please mark



1                   **A.       This one, yes.**

2                   Q.       Did you have an understanding of  
3                   the Venezuelan Navy was escorting the Gerd?

4                   **A.       No, not in particular, no.**

5                   Q.       Scott, can you please flip back  
6                   to **Exhibit 7**. Thank you.

7                   So, Captain Parsons, to focus again on  
8                   February 7th, when the PDVSA reps and others  
9                   boarded the Gerd. At that point in time did you  
10                  intend to follow their instructions to travel to  
11                  Puerto La Cruz and discharge the cargo?

12                  **A.       If the time frame was there, with**  
13                  **no instruction of the Navy arms -- being armed and**  
14                  **making me leave, no.**

15                  Q.       Scott, can you please scroll up  
16                  to the prior email on this thread. Scroll down a  
17                  little bit more. Sorry, it's a short one. A  
18                  little more. There we go.

19                  Captain Parsons, do you see the  
20                  February 7, 2020 email, 9:55 a.m -- sorry, the  
21                  9:50 a.m. email that's on the screen right now?

22                  **A.       Yes.**

23                  Q.       Did you send this email to Melody  
24                  Wheeler and others?

25                  **A.       Yes.**



1           and being permitted to sail.

2                   Q.       Were any of those issues  
3 addressed in February of 2020?

4                   A.       No. These three issues noted  
5 here was what was picked up on by a inspection  
6 that was done prior to this. These were three  
7 findings that were noted.

8                   Q.       Do you recall when that  
9 inspection occurred?

10                  A.       No, I do not.

11                  Q.       Do you recall who conducted that  
12 inspection?

13                  A.       I can't remember his name.

14                  Q.       Was it in an inspection by one of  
15 the Gerd crew or someone else?

16                  A.       Third party.

17                  Q.       Do you recall what organization  
18 or entity the third party was associated with?

19                  A.       No, I do not recall, no.

20                  Q.       I may have asked this earlier, I  
21 apologize if I'm repeating myself, but when the  
22 Gerd was boarded on February 7, 2020, how long did  
23 the PDVSA reps and other persons remain on board?

24                  A.       I can't recall.

25                  Q.       What was your understanding of



1 the instructions they wanted you to follow at the  
2 time they departed?

3 A. When they departed, if I recall  
4 correctly, it was that the Navy would be escorting  
5 us through Jose, and that outward clearance would  
6 be given for that voyage.

7 Q. And did you understand those  
8 instructions to be coming from PDVSA?

9 A. That I can't say or confirm. All  
10 I know is that the local authorities were the ones  
11 that were going to issue the instructions based on  
12 the court -- court document that they referenced  
13 back in December.

14 Q. And what do you mean by local  
15 authorities?

16 A. Whether the Navy, INEA, marine  
17 police, it's one of their local agencies.

18 Q. Did you instruct -- discuss those  
19 instructions with CITGO?

20 A. It was forwarded off to CITGO,  
21 but any correspondence I can't recall.

22 Q. Do you recall whether CITGO  
23 advised you to take any action in response to  
24 those instructions?

25 A. No, I don't recall.



1 Q. Do you recall whether you  
2 discussed that boarding with Canship at all?

3 A. I can't specifically recall it,  
4 but it was discussed I'm sure with the owners and  
5 Canship.

6 Q. You ultimately did receive the  
7 clearances to travel to Jose, correct?

8 A. Yes.

9 Q. And you ultimately followed those  
10 instructions and travelled the Gerd to Jose,  
11 correct?

12 A. Correct.

13 Q. Why did you ultimately accede to  
14 these instructions?

15 A. Because the local Navy ordered me  
16 to do so.

17 Q. Did you understand those  
18 instructions to be to travel to Jose in order to  
19 discharge the cargo?

20 A. They instructed me to sale to  
21 Jose, that there was no -- the Navy didn't tell me  
22 to discharge the cargo. The Navy told me that I  
23 had to sail to Jose.

24 Q. Were you separately told to  
25 discharge the cargo in Jose?



1                   **A.       In Jose, yes.**

2                   Q.       Did you travel to Jose with the  
3                   military escort by the Venezuelan Navy?

4                   **A.       Yes, I did.**

5                   Q.       Did you ever previously have a  
6                   military escort on a ship that you were a master  
7                   of?

8                   **A.       No.**

9                   Q.       Have you ever heard of military  
10                  escorts being required while a ship was in  
11                  transit?

12                  **A.       No.**

13                  Q.       Do you have any understanding of  
14                  why the Venezuelan Navy was involved in this  
15                  particular transit?

16                  **A.       No, I do not.**

17                  Q.       Please take this document down,  
18                  Scott, and I ask you to mark document 14 as  
19                  Exhibit 14 and put it up on screen.

20                  MR. WOODS: I'm sorry, Jeff, what  
21                  exhibit is going up now?

22                  MR. MIKONI: Document 14.

23                  MR. WOODS: Thank you.

24                  BY MR. MIKONI:

25                  Q.       For the record, Exhibit 14 is



1 four copies of a document entitled "Letter of  
2 Protest." They were produced by CITGO in this  
3 litigation, Bates labelled CITGO 34320 through  
4 34323. The letter is dated February 9th, 2020.

5 --- **Exhibit 14**: four copies of Letter  
6 of Protest; Bates No.

7 CITGO 34320 through 34323 ---

8 BY MR. MIKONI:

9 Q. Captain Parsons, please take a  
10 moment to review this document and have Scott  
11 scroll through it as you need it.

12 A. Scroll down. Keep on going.  
13 Keep on going. Keep on going. All right.

14 Q. Scott, can you Zoom out so we can  
15 see all of one page at a time. That works, thank  
16 you.

17 Captain Parsons, do you recognize these  
18 letters?

19 A. I do.

20 Q. That's your signature at the  
21 bottom of each page, right?

22 A. Correct.

23 Q. Did you prepare these letters of  
24 protest?

25 A. I did.



1 Q. What is a letter of protest?

2 A. It is a letter or a statement  
3 from, well, it would be myself, stating any --  
4 it's basically a letter -- here it's basically a  
5 letter saying that we do not -- or I do not agree  
6 or the owner's agree with what is happening. It  
7 goes -- like here, if you read the description, it  
8 says:

9 "Vessel ordered to sail by local  
10 authorities accompanied by the  
11 Venezuelan Navy in contradiction to  
12 current cargo documents and time  
13 charterer's orders."

14 It's just saying that I note that this  
15 is happening and really it's kind of out of my  
16 control.

17 Q. Okay. Is it normal to prepare a  
18 letter of protest in connection with the voyage?

19 A. Yes, we do letter of protests  
20 often.

21 Q. You have previously done letters  
22 of protest in connection with other voyages; is  
23 that right?

24 A. Yes, correct.

25 Q. And what purpose does the letter





1 Q. Was the Gerd at any time boarded  
2 by members of the Venezuelan Navy to your  
3 knowledge?

4 A. Yes, the Navy was on board prior  
5 to departure.

6 Q. Okay. Will you explain how that  
7 happened, when did they board?

8 A. If I remember correctly, it was  
9 the morning that we departed all representatives  
10 came on board, issued outward clearance prior to  
11 departing.

12 Q. Do you remember what day you  
13 departed?

14 A. It was the 9th of February. We  
15 departed on the ninth and arrived in Jose on the  
16 eleventh, if I remember correctly.

17 [Reporter's query]

18 THE WITNESS: Departed Güiria on the  
19 ninth and arrived in Jose on the  
20 eleventh, I do believe.

21 BY MR. MIKONI:

22 Q. Do you recall approximately how  
23 many persons boarded the Gerd on the ninth?

24 A. No, I do not know.

25 Q. No. Do you recall approximately



1 Q. How long did that process of  
2 getting the boat started take?

3 A. It's usually an hour notice to  
4 the engine room to prepare, and same for the  
5 bridge. If I recall correctly, I asked -- I told  
6 them it would be longer because the vessel was on  
7 anchor for so long, and exact times I wouldn't be  
8 able to speak to.

9 Q. Captain Parsons, I would like you  
10 to look again at Exhibit 14 on the screen. You  
11 wrote that the order to sail was in contradiction  
12 to current cargo documents. Can you explain what  
13 you meant by that?

14 A. Bills of lading.

15 Q. Can you elaborate?

16 A. The bills of lading were issued  
17 stating that the cargo was transferred from PDVSA  
18 to CITGO for the DCO.

19 Q. And so how did the current orders  
20 contradict those cargo documents?

21 A. They were saying that PDVSA was  
22 the owner and they wanted us to sail to discharge.

23 Q. You also wrote that the order to  
24 sail contradicted the time charterer's orders.  
25 Can you explain what you meant by that?



1                   A.       As CITGO was the time charterer,  
2       their orders were not for the vessel to sail to  
3       Jose.

4                   Q.       At that point in time, what were  
5       your orders from the time charterers?

6                   A.       The voyage instructions at that  
7       point was still to discharge in Aruba, if I  
8       remember correctly.

9                   Q.       But you never received clearances  
10       that would allow you to take that journey; is that  
11       right?

12                  A.       That's correct.

13                  Q.       How long did it take to travel  
14       from where the Gerd was anchored to Jose terminal?

15                  A.       I think it was two days. I think  
16       we left on the ninth and arrived on the eleventh.

17                  Q.       What happened when you arrived at  
18       Jose terminal?

19                  A.       Went to -- well, we didn't go to  
20       the terminal. We went to anchorage.

21                  Q.       What do you mean by went to  
22       anchorage?

23                  A.       The vessel went to anchor.  
24       There's a designated anchorage area, and that's  
25       where the vessel went for arrival. We had a port



1 Q. Do you recall whether any members  
2 of the Venezuelan Navy boarded the ship at this  
3 time?

4 A. I don't think they boarded at  
5 that time. I don't think so.

6 Q. Was the Navy gunship still in  
7 close proximity to the Gerd at this time?

8 A. After anchorage, I can't recall  
9 if she stuck around or not.

10 Q. You don't recall either way?

11 A. No, no, I don't recall.

12 Q. And did the PDVSA reps give you  
13 any instruction at this time?

14 A. Yes, they wanted me to discharge  
15 the cargo.

16 Q. Did you follow those  
17 instructions?

18 A. At that point, no.

19 Q. Why not?

20 A. Because CITGO, as owners of the  
21 cargo, had not instructed me to do so.

22 Q. You did ultimately discharge the  
23 cargo at Jose terminal; is that correct?

24 A. That is correct.

25 Q. What changed between that point



1 exhibit down, please. Thank you.

2 Captain Parsons, once the decision was  
3 made to discharge the cargo, how long did that  
4 process take?

5 A. I think it was almost two weeks  
6 if I do recall. It was a lengthy discharge.

7 Q. Why was that?

8 A. Slow discharge rate.

9 Q. Is that discharge rate slower  
10 than what's usual in your experience?

11 A. Yes. Apparently the Jose  
12 terminal is meant to load ships and not be  
13 discharged into. So because of the long distance  
14 to the tank, storage tanks, our pumps couldn't  
15 pump at a very high rate.

16 Q. So the pumping process took  
17 almost two weeks?

18 A. A long time, yeah. Exact, I  
19 don't -- I can't recall, but it was quite  
20 sometime.

21 Q. Who oversaw the discharge  
22 process?

23 A. As shore -- someone from shore  
24 or on board?

25 Q. Sorry, on board who was



1 THE WITNESS: No problem.

2 EXAMINATION

3 BY MR. WOODS:

4 Q. Captain Parsons, good afternoon,  
5 this is John Woods from Clyde & Co. in New York.  
6 Can you hear me all right?

7 A. Good afternoon, John. Yes, I  
8 can.

9 Q. Very good. As you will have  
10 heard from the beginning of this deposition, I  
11 represent the cargo underwriters in this case. I  
12 have a few questions for you. The rules of  
13 engagement, guidelines, I should say, are as they  
14 were before. Since this is your first deposition,  
15 I just want to remind you that if at any time my  
16 question is not clear, I would ask that you let us  
17 know and let me know, and I'll attempt to clarify  
18 it, and if we don't hear any objection from you  
19 we'll assume that you understood the question and  
20 the answer is true to the best of your knowledge,  
21 information and belief. Is that understood?

22 A. Understood.

23 Q. And the other rules of engagement  
24 apply as well, most important being if at any time  
25 you want to take a break, just let us know and



1 we'll certainly accommodate that, okay?

2 **A. I'm looking more to get it done.**  
3 **It's getting late here.**

4 Q. I appreciate that. I am  
5 conscious of the time and the fact that we are one  
6 hour ahead of you, which means while it's one hour  
7 later there you started one hour later in the  
8 deposition as well than we did, so --

9 **A. An hour and a half to be exact.**

10 Q. An hour and a half, is that  
11 right. All right, I'll keep that in mind.

12 I just want to clarify to start off a  
13 couple of questions or a couple of your answers  
14 rather about the court order, orders, plural, I'm  
15 not sure, that's what I want to clarify. And for  
16 that reason I'll ask Scott, our exhibit tech, to  
17 put up **Exhibit 7** in the first instance. Scott, if  
18 you would scroll down to the page ending 477.  
19 That will work.

20 Captain, you'll see in your email in the  
21 bottom of that page a reference to the fact that  
22 you had PDVSA reps on board the vessel, this is on  
23 February 7th, 2020, who were informing you that  
24 you were going to leave to go to Puerto La Cruz,  
25 which I think you also refer to as Jose; is that



1 right?

2 **A. That's correct, yes.**

3 Q. And it says there that the orders  
4 that you are going to get to sail to Jose, Port of  
5 Jose, are based on the court order given to the  
6 vessel back in December; do you see that?

7 **A. Yes.**

8 Q. We saw earlier, and we'll put it  
9 up in a moment, you may recall that in earlier  
10 questioning you were shown what was marked as  
11 **Exhibit 8**, which is a Spanish translation of a  
12 order from a Venezuelan court dated in December,  
13 December 17, 2019.

14 Do you understand that your reference  
15 there to the order of the court given to the  
16 vessel back in December is that -- that order that  
17 was served on the vessel when Captain Winters was  
18 aboard on or about December 17, 2019?

19 **A. Yes, it would have to be**  
20 **Captain Winters because I didn't receive anything**  
21 **in December from anyone actually.**

22 Q. All right. You had received I  
23 think some documentation in November before you  
24 left the ship, but you were gone by the time this  
25 court order was served on the vessel and Captain





1 Q. And on that same page, it  
2 references at the bottom the Bolivarian National  
3 Guard; do you see that?

4 A. Yes.

5 Q. It's in the bold. Do you  
6 understand that the National Guard was empowered  
7 by this order to carry out the order and to  
8 execute it?

9 A. Not really, no.

10 Q. Okay, let's go to the first page.  
11 It's a little clearer there.

12 MR. ADLER: Could I just note an  
13 objection just to the extent that  
14 Captain Parsons has testified that he's  
15 a layperson and doesn't understand the  
16 terminology used in the order. You can  
17 go on.

18 BY MR. WOODS:

19 Q. At the bottom of the middle  
20 paragraph, just before it says Article 270A -- I'm  
21 sorry, 276, the last sentence there, the order  
22 says:

23 "Likewise it is requested to  
24 designate to officials of the  
25 Bolivarian National Guard of



1 together for February 9, and it looks like  
2 February 11, correct?

3 **A. Yes.**

4 Q. And there you see the Cormoran is  
5 the patrol boat you have the Lirio is all fast  
6 centred, and you depart. When it says "Cormoran  
7 on location," was that when it was I think you  
8 said within a mile of the Gerd Knutsen?

9 **A. Yeah, she was -- well, that**  
10 **morning she was closer.**

11 Q. How much closer?

12 **A. Close enough I told the guys on**  
13 **the bridge not to be take pictures of her, afraid**  
14 **they would see.**

15 Q. You mentioned she had a machine  
16 gun, right? Where was that located? Is that  
17 located forward?

18 **A. The exact location I would not be**  
19 **able to tell you, but she had one. I think the**  
20 **pilot informed me it was a 50-caliber machine gun.**

21 Q. Do you recall actually seeing it  
22 yourself?

23 **A. Yes, I do. They were actually**  
24 **oiling it up and preparing it, or doing**  
25 **maintenance on it prior to departing.**



1                   A.        **Again, I don't know.**

2                   Q.        You can look that up too. It's  
3 even in Wikipedia?

4                   A.        **Yes, I don't go around looking**  
5 **that up.**

6                   Q.        Okay.

7                   A.        **It's over a year ago. And size**  
8 **is irrelevant once you have got a machine gun on**  
9 **her.**

10                  Q.        I just wondered if it would  
11 surprise you to know the patrol boat was smaller  
12 than the tug?

13                  A.        **Not really, no.**

14                  Q.        In your experience, are you aware  
15 when the vessel issues a bill of lading for a  
16 cargo, and then sails, is it -- have you ever seen  
17 situations where the vessel's destination changes  
18 from that listed on the bill of lading during the  
19 course of the voyage?

20                  A.        **Me personally, no.**

21                  Q.        Have you ever heard of a  
22 situation where the bills of lading are sold  
23 during the course of the voyage and the cargo  
24 owner changes hands --

25                  A.        **No.**

